



OCTOBER 2004

EASTERN REGION

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State of Utah

Department of Workforce Services



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Economic Outlook for Eastern Utah

By Austin Sargent and Michael Hanni

While the nation's economy continues to slowly improve, Utah will continue to post job gains throughout the remainder of 2004 and into 2005. Metropolitan areas of the state will lead the way in terms of employment growth, with non-metropolitan areas, excluding Washington and Cache counties, seeing smaller, but positive gains. The Eastern Region, which relies primarily on mining and tourism, will likely face mixed results with some counties doing well while others struggle.

With oil prices above \$40 a barrel, oil and gas exploration and extraction in the Eastern Region, in the Uintah Basin in particular, will continue to be active. Through July of 2004, the Utah Division of Oil, Gas, and Mining issued 543 well permits statewide, an increase of 21.2 percent over last year. Of the permits issued, a full 75 percent were for sites in Uintah County.

Nevertheless, the development and use of new technology will dampen the demand for more labor. These advances dramatically reduce the number of workers necessary to sustain production levels. While the demand for more energy will increase, the number of jobs in the Eastern Region related to natural resources will likely remain the same, or show only slight gains. The coming years will continue to reflect this long-term trend of less demand for labor, particularly in coal mining, and the ability of companies to sustain production levels. This suggests that diversification

of the region's economy will be critical in achieving job growth.

One such industry that shows long-term promise is tourism. Though the industry has been slow to recover from the devastating attacks of September 11, 2001, the latest numbers are encouraging. Even in the face of rising oil prices, which make travel more expensive, and lingering terror fears, the Bureau of Economic Analysis reports that total sales in tourist related industries in the United States grew 11.6 percent in the first three months of 2004. Clearly, tourism is on a rebound.

In order to capitalize on this growing industry, the counties of the region need to invest and attract investment in infrastructure improvements. Being able to accommodate more guests, host more events, and provide more services are all critical to expanding the tourist base and promoting long-term economy health. With 12 percent of the jobs in the region tied to leisure and hospitality (2003), tourism will continue to be an important component of the economy.

Overall, eastern Utah will experience job growth in 2004 and 2005 as the national and state economies continue to improve. Demand for energy related products should sustain employment in mining at current levels, or even push them up slightly. The improvements in travel and tourism also will bring more economic activity to the region and help lift employment as well.

UPCOMING EVENTS/SEMINARS

Basic Labor Law Trainings

- Nov. 1, 2004** 11:00 am - 1:00 pm, DWS Price Employment Center
Nov. 2, 2004 9:00 am - 11:00 am, Uintah Basin Applied Technology, Roosevelt

To register, please respond by email to: BOBGILBERT@utah.gov

News You Can Use

Businesses will benefit from new job seeker tool!

The Workforce and Education Development Alliance (WEDA) comprised of the Department of Workforce Services, Utah State Office of Education, Utah System of Higher Education and Utah State Office of Rehabilitation, has partnered to create careers.utah.gov.

This portal web site is a comprehensive school-to-retirement career exploration and planning solution. The information will assist students in selecting the most appropriate courses to prepare for work, technical training and/or college, thus ensuring a more educated and qualified workforce for Utah businesses. It will also assist post-secondary students who enter the workforce after graduation, as they need current, useful information on occupational choices that match employer needs. Laid-off workers can benefit as they may need similar labor market intelligence to provide them with information on possible retraining to prepare them to re-enter the labor market.

Although there are several valuable web-based resources that provide information to help guide all types of job seekers down successful career paths, this collaborative effort puts the most useful information into a single powerful toolbox of both information and job opportunities. [Careers.utah.gov](http://careers.utah.gov) will connect these existing online resources to help all Utah citizens in making informed career decisions about education, training and employment, no matter where they are in their employment life cycle. Check out the web site at: careers.utah.gov for more information!

Company Profile

Eagle Foundry Continues to Soar

Despite declining employment trends in Utah's manufacturing industry, some small firms, like Eagle Foundry of Orem Utah, have found their niche and continue strong in the manufacture of a unique product line.



Founded in 1985 by Charles Shepherd, the foundry found its niche in the manufacture of bronze grave markers and plaques. According to James Shepherd, employee and family member, "95% of our business is grave markers. Only about 5% is architectural and industrial casting." Adding to the success of the foundry is the relatively few numbers of competitors; both locally and nationwide. According to Mr. Shepherd, Eagle Foundry is the only manufacturer of its type in Utah. "Nationally, there is only one large manufacturer and several smaller companies like ours."

According to Mr. Shepherd, "Nearly all of the foundry's product is shipped outside the state and, at times, outside the country." Around the state and country, Eagle Foundry is responsible for a number of those plaques seen at state landmarks such as *This Is The Place Monument*. Among its more unique projects, the foundry created three 400-pound plaques to be placed on a sunken ship off the coast of Florida.

Eagle Foundry currently employs approximately 11 individuals; most of whom are family. More than 10 years ago, the company held a federal contract for the manufacture of grave markers for deceased servicemen and employed as many as 35. Since then, the business has moved away from contracts to the filling of individual orders, allowing for much more customized work. Within that niche, Eagle Foundry has remained strong and doesn't anticipate much of a change in business over the next few years.

Were dramatic changes to take place, Eagle Foundry is confident that they would be able to quickly adapt and meet the changing market, utilizing the recruitment services and economic information of the Utah Department of Workforce Services to keep their company soaring high.

Industry Sector Focus: Health Care Employment in Utah

The Health Care industry is an important economic driver in Utah. In 2003, this industry provided \$3.1 billion in Utah wages. At present, roughly one in 16 Utah workers are employed in health care occupations. The ratio is closer to one in 10 Utah workers, when all occupations in the health care industry are included.

The health care industry has both immediate and future occupational needs. There are worker shortages across the entire nation. Worker shortages are reflected in Utah's health care statistics as well. Utah has the third most severe Registered Nurse (RN) shortage in the nation, and the RN vacancy rate for nursing homes—24.3 percent in 2003—is the highest in the country, according to a Utah Hospitals and Health Systems Association report (2002).

Aging demographics suggest that health care job openings are not just a short-term phenomenon. The Utah Governor's Office of Planning and Budget estimates that between 2003 and 2025, Utah's population of 65 and older will grow by 110 percent, resulting in 433,000 people over the age of 65. Meanwhile, it is projected that between 2002-2012, Utah's health care industry will grow at a rate of 4.3 percent annually.

Compounding Utah's aging demographics and the resultant growth in health care occupational openings is the aging of the health care workforce itself. Many health care clinicians will retire at a time when the state's aging population requires

increased health care services. A Utah Hospitals and Health Systems Association report (2003) outlined the concern regarding the aging of Utah's clinical workforce with a significant percentage of staff over the age of 50.

Utah's health care workforce development is hindered from meeting demand due in part to the current inability to increase educational capacity in training programs. The Nursing Leadership Forum reports that of the approximately 250 nursing faculty members, 40 percent are over 50 years old and 16 percent plan to retire in the next five years. Utah is not producing health care faculty at a rate to replace the expected retirement levels, nor at a rate to expand health care training capacity. In addition, health care education programs are more expensive due to faculty credentials, equipment and facilities costs, and low student-to-faculty ratios in some occupations. Utah's advantage of a surplus supply of qualified applicants is offset by the lack of capacity in our training institutions to accommodate them.

It is possible that Utah's health care labor shortage will compromise the quality and accessibility of health care, the stability of the health care industry, and the economic vitality of the state. However, the expertise to address these concerns is strong. With leadership and collaboration, Utah will address the wide array of issues necessary to assure the future health care workforce, keep the health care sector a strong economic engine, and support Utah's quality lifestyle.

Utah Economic Data Viewer Makes "Cents" for You

The Utah Economic Data Viewer, or the UEDV, an easy-to-use online tool developed by economists, is accessible through jobs.utah.gov and provides you with information that can save money for your business.

One useful feature of the UEDV is the list of **Utah Occupational Wages**. With this tool you can identify the standard rate of pay in Utah for the various occupations. This valuable piece of information can save your business money as you reduce turnover. For example, let's say you're paying an entry-level receptionist \$6.50 an hour, but the average entry-level receptionist in the area is earning \$7.90 an hour. This person may leave your company for better pay despite time and money you invested in training the employee.

The available data can be useful as you plan your company's future. As you anticipate growth and make budget projections, this data can assist you when looking at the possibility of hiring new employees. It also can give you an idea of what type of training level/education you can expect from your entry-level employees and how much time and money you would have to invest in training.

The UEDV also provides other information that can save you money such as population estimates, labor projections, and industry-specific information. While some companies pay thousands of dollars to access comparable information, all you need is jobs.utah.gov. Please take the opportunity to see what the Utah Economic Data Viewer can do for you!

Utah Department of Workforce Services

Executive Director's Office

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Update from Carbon County

Contact Numbers

SONIC comes to Rural Utah

With a grand opening on July 12, SONIC, America's Drive In, began operating in Price. SONIC only recently began building restaurants in the western United States, and this is the first one within the counties of the Eastern Region.

Robert Olsen, the SONIC manager in Price, said the company had been considering Price for some time as a potential location. SONIC's food, carhop service, and environment are designed to appeal to all ages, so the ideal locations are communities that have a relatively equal distribution of ages. Charts showing age distribution for each county in Utah is available at jobs.utah.gov, the web site for the Department of Workforce Services.

The Price office of the Department of Workforce Services provided recruitment assistance and meeting room facilities for SONIC. "Workforce Services provided the best employment resources I have ever seen in my career," said Olsen. "Our owners were concerned with what type of applicants we would get, but with Workforce Services recruiting applicants, we have been able to get a good crew of the kind of people we want to have."



Blanding	(435) 678-1400
Emery County	(435) 381-6100
Moab	(435) 719-2600
Monticello	(435) 587-2016
Price	(435) 636-2300
Roosevelt	(435) 722-6500
Vernal	(435) 781-4100

In Price, SONIC employs 65 people, with a daily payroll of \$2000, and wants to show a strong commitment to the local community. "We want to be involved in the schools, the Chamber of Commerce, Sub for Santa, 4H and other local programs," stated Olsen. "We appreciate the support and business from our community, and we want to show our support in return."